

No. 2057.

IN THE
United States
Circuit Court of Appeals
FOR THE NINTH CIRCUIT

The Towne Patent Steering Wheel
Company, a corporation,
Complainant and Appellant,
vs.
Don Lee,
Defendant-Appellee.

APPELLANT'S BRIEF.

FREDERICK S. LYON,
504 Merchants Trust Bldg., Los Angeles, Cal.,
Solicitor for Appellant.

FILED

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This cause comes before this court on an appeal by complainant from a decree of the United States Circuit (now District) Court for the Southern District of California, Southern Division, dismissing complainant's bill of complaint.

The bill of complaint alleges that complainant's assignor, William F. Towne, was the inventor of a certain improved steering wheel for autovehicles; that he made due application for letters patent of the United States, and that after due proceedings had, including the usual examination as to novelty and invention, letters patent of the United States No. 848,140 were on March 26, 1907, granted and issued for said invention by the

United States government; that said letters patent were duly assigned to and that the complainant was at the time of the filing of said bill of complaint the owner of the exclusive right, title and interest therein and thereto.

The bill of complaint alleges [Transcript Record p. 7]:

“That the trade and public have generally respected and acquiesced in the validity and scope of said letters patent No. 848,140, and in the exclusive rights of your orator and of your orator’s assignors therein and thereunder, and save for the infringement thereof by defendant, as hereinafter set forth, your orator and your orator’s assignors and licensees have had and enjoyed the exclusive right, liberty and privilege since March 26th, 1907, of manufacturing, using and selling steering wheels for autovehicles embodying and containing the invention described in, set forth and claimed in and by said letters patent No. 848,140, and but for the wrongful and infringing acts of defendant as hereinafter set forth, your orator would now continue to enjoy the said exclusive rights and the same would be of great and incalculable benefit and advantage to your orator.”

To this bill of complaint defendant filed a demurrer [Transcript page 14], upon the following grounds:

“1. That it appears by complainant’s own showing by the said bill that it is not entitled to the relief prayed by said bill against the defendant.

2. That the claims made in said letters patent, numbered 848,140, dated March 26, 1907, as alleged in said complaint, show on their face the lack of patentable novelty.

3. That the said claims show by their express limitations that it is not new, to roughen the surfaces of steering wheels.

4. That the said letters patent in suit are invalid and void, because the improvements therein set forth lack invention and did not require the exercise of the inventive faculty.

5. That the said claims in the said patent are ambiguous, unintelligible and uncertain, in this: it is not described in the said specification and drawings, in such clear and exact terms as to enable anyone skilled in the art, to which the invention pertains to practice the invention; and particularly to distinguish it from the prior state of the art.”

This demurrer coming on for argument, the court, after oral argument, sustained the demurrer, and, the complainant declining to amend, the court entered its decree dismissing the bill. The record does not contain any opinion of the lower court, and none in fact was filed, no written opinion having been rendered. The ground upon which the demurrer in the lower court was sustained was that the letters patent in suit were obviously totally lacking in validity, as not disclosing any patentable invention.

By statute the grant and issuance of the letters patent raised a *prima facie* presumption of patentable novelty, and this presumption is fortified by the allegations of the bill of complaint hereinbefore quoted setting forth the general acquiescence in the validity of the letters patent.

It is a well-known rule of law that a demurrer admits the truth of all facts alleged in the bill of complaint.

The Rule of Law Applicable to Demurrers in Patent Cases, that the Patent is Void on its Face.

It is well known that patents for inventions are *prima facie* evidence of their validity, and this presumption, arising from the grant and issuance of the patent, must throw the decision in favor of the validity of the patent, if there be any doubt as to patentable novelty.

Morton v. Llewellyn, 164 Fed. 693;

Morgan v. Daniels, 153 U. S. 120;

Cantrell v. Wallick, 117 U. S. 679;

Leubetter v. Holthaus, 105 U. S. 96;

Marsh v. Seymour, 97 U. S. 349;

Ashcrofts v. Railroad Co., 97 U. S. 197;

Coffin v. Ogden, 18 Wall. 124;

Gandy v. Belting Co., 143 U. S. 595.

This rule lies at the foundation of the rule regarding demurrers, for if there be any doubt whatever the court will hear the proofs and in any case if then there be doubt the *prima facie* presumption arising from the grant and delivery of the patent will throw the decision in favor of the patent.

Hunt Bros. Fruit Packing Co. v. Cassidy, 53 Fed. 259;

Harper & Reynolds Co. v. Wilgus, 56 Fed. 588;

Bottle Seal Co. v. De la Vergne, 47 Fed. 59.

It may therefore be stated that, when a patent cause (either in equity or at law) is considered upon a demurrer on the ground the patent is void upon its face, the rule is: The patent must be so clearly void, for want of patentable novelty, that no possible evidence in-

troduced by plaintiff could show validity, otherwise the demurrer will be overruled. Or otherwise stated, such a demurrer should only be sustained in exceptional case, where the question is entirely free from doubt, for if doubt appears plaintiff is entitled to its benefit.

Neidich v. Fosbemner, 108 Fed. 266;

Lang v. McGuin, 177 Fed. 219;

Electric Vehicle Co. v. Winton Co., 104 Fed. 814;

Wills v. Scranton Co., 153 Fed. 181, 82 C. C. A. 355;

Jacks v. Hemp, 140 Fed. 254, 71 C. C. A. 246;

Chinnock v. Patterson, 112 Fed. 531, 50 C. C. A. 384;

Hogan v. Westmoreland Co., 154 Fed. 66, 83 C. C. A. 178;

Faries v. Brown, 102 Fed. 508, 42 C. C. A. 483;

Caldwell v. Powell, 73 Fed. 488;

Milner v. Yesbera Co., 111 Fed. 386, 49 C. C. A. 397;

American Co. v. Buckskin Co., 72 Fed. 508, 18 C. C. A. 662;

Manufacturing Co. v. Scherer, 100 Fed. 459;

N. Y. Belting Co. v. N. J. Co., 137 U. S. 445.

Such a demurrer should be sustained:

“Only when there is no room for thinking any evidence can be adduced which would, if put into the case, alter the *clear conviction* of the court that there is no patentable invention in the production patented.”

Drake v. Brownell, 123 Fed. 86, 59 C. C. A. 216;

Milner v. Yesbera (*ubi supra*);

Strom v. Weir, 83 Fed. 170, 27 C. C. A. 502.

The presence of the slightest evidence of novelty is sufficient to defeat a demurrer for want of invention.

Lyons v. Drucker, 106 Fed. 416, 45 C. C. A. 368.

In Caldwell v. Powell, 71 Fed. 970, Circuit Judge Dallas held:

“No case of this character should be disposed of upon such a demurrer, unless the invalidity of the patent be plain, and the common knowledge relied upon to defeat it be of matters of which the court may properly take judicial notice.”

In Covert v. Travers Bros. Co., 70 Fed. 788, Circuit Judge Coxe held:

“That a patent, manifestly invalid upon its face, may be so declared upon demurrer, is now settled beyond dispute. * * * It is also true that this power should be exercised with the utmost caution and only in the plainest cases. If there is doubt it should be resolved in favor of the patent.”

Circuit Judge¹ Taft (now president of the United States), in American Fibre-Chamois Co. v. Buckskin Fibre Co. (72 Fed. 580), pointed out that to dismiss a suit on demurrer is to deny the plaintiff the right to adduce evidence to support the presumption in favor of the validity of the patent, and said:

“Therefore the court must be able, from the statements on the face of the patent, and from the common and general knowledge already referred to, to say that the want of novelty and invention is so palpable that it is impossible that evidence of any kind should show the fact to be otherwise. Hence it must follow that, if the court has any doubt whatever with reference to the novelty or invention of that which is patented, it must overrule the demurrer, and give the complainant an opportunity, by proof, to support and justify the action of the

patent office. This is the view which has been taken by the Supreme Court and the most experienced patent judges upon the circuit.”

In *Rodwell Mfg. Co. v. Housman*, 58 Fed. 870, Judge Wheeler said:

“Unless the patent is so void on its face as to require no defense to a suit upon it, the demurrer must be overruled.”

In *Lalance & Grosjean Mfg. Co. v. Mosheim*, 48 Fed. 452, Circuit Judge Coxe said:

“The authority of a judge to substitute his knowledge for legal proof should be exercised with the utmost caution and only in the plainest cases. If there be the slightest doubt it is by far the safer way to permit the cause to proceed in the usual manner.”

In *Bottle Seal Co. v. De la Vergne*, 47 Fed. 59, Judge Green held:

“To hold letters patent invalid upon a demurrer the judgment must be surely based upon certainty. Doubts must be resolved against the defendant.”

In *Blessing v. John Trageser Steam Copper Works*, 34 Fed. 753, Circuit Judge Shipman said:

“To decide, in advance of an opportunity to give evidence, that no doubt can possibly be given upon the question of invention which would permit the case to be submitted to the jury, seems to me to be ill advised, except in an unusual case. * * * I do not wish to assume that I cannot be better instructed than I am at present as to the degree of ingenuity which the improvement required.”

The matter was very well put by Circuit Judge Putnam, in *Henderson v. Tompkins*, 60 Fed. 758:

“Assumption on the part of courts of knowledge which they may not in fact possess, followed by numerous dismissals of suits upon demurrer, would involve the hazard of barring meritorious causes, contrary to the express allegations of the bill. Especially would this occur in that class of cases * * * in which the question of utility and patentable novelty are in some degree determined by what transpires subsequently to the issue of the patent.”

In *Krick v. Jansen*, 52 Fed. 823, Judge Townsend said:

“The question of patentable novelty is a question of fact, and, except in a very clear case, it ought not to be decided until after an opportunity has been given to submit evidence thereon * * * and where this question is doubtful an extensive use by the public may serve to resolve the doubt in favor of the patentee.”

In *Davock v. Chicago & N. W. Ry. Co.*, 69 Fed. 468, Judge Seaman held:

“It is unquestionable that this objection may be taken by demurrer, and it is equally clear that the demurrer should be overruled, and the defendant put to answer, if the question of invention or novelty is fairly open to doubt. Oftentimes a showing of the prior state of the art will demonstrate that to be true invention which does not seem to possess this merit upon first impression and when read in the simple terms of the patent, and all light in that direction is shut out if the demurrer is sustained. The argument that the court can take judicial notice of certain facts which are of common understanding does not apply, as it would require, for the purposes of this case, an assumption of knowledge, not only of the methods which have been employed for

joining the rails, but of the practical difficulties, under various conditions, which were met, and the measure in which the means theretofore employed had failed, and the alleged invention had succeeded, in overcoming them.”

In *Root v. Sontag*, 47 Fed. 308, on demurrer to a bill for infringement, Judge Hawley said:

“Ordinarily the nature of the subject demands the testimony of witnesses skilled in the art to which the patent relates, to enable the court to act intelligently upon the question whether or not the improvement required inventive skill for its production.”

Judge Blodgett, in *Eclipse Mfg. Co. v. Adams* (36 Fed. 554, 556), said:

“While I do not intend to lay down a rule, I am free to say that I do not feel justified in holding a patent void for want of novelty on common knowledge, unless I could cite instances of common use which would at once, on the suggestion being made, strike persons of ordinary intelligence as a complete answer to the claim of such patent.”

The question brought before this court for determination then is:

As a matter of law is it so plain and clear that all that is described, shown and claimed in the Towne patent was commonly known or commonly used in the automobile art prior to Towne’s discovery thereof in 1906, that no doubt whatever can exist and no evidence whatever that could be produced could raise a substantial issue of fact as to novelty or invention? If there be such an issue of fact, then the court, under the above authorities, will overrule the demurrer and order the case heard upon its merits upon the proofs to be adduced by the par-

ties. In other words, give both parties a chance to be fully heard and judge the case upon the evidence educed.

As clearly indicated in the foregoing extracts from the opinions of the courts, the declaring a patent void on demurrer is a dangerous one, as it cuts off the parties from bringing before the court the facts surrounding the particular invention and its relation to the patricular art in which it belongs. Many things look extremely simple after they have been accomplished, and yet the proofs in the particular art to which they belong show that the steps, simple though they seem after taken by the inventor, to have laid unseen and unnoticed by the "ordinary mechanics" skilled in the art and to have required more than the ordinary skill of the art to discover them. An extreme example of this was under consideration in this court in

John Kitchen, Jr., Co. v. Levison, 188 Fed. 658.

This was the manifold bookcase, in which the carbon sheets were attached to a cardboard stub. If the court had attempted to determine the validity of that patent on demurrer it would probably have held the patent void, but the evidence educed led to another and reverse decree. Your Honors said:

"In addition to the presumption which arises from the issuance of the patent to the appellee, there are to be taken into consideration as sustaining his patent the further facts that, when his invention was made, there was a want in the art for such a device, that in the prior art there were well recognized and admitted defects, and that appellee's device eliminated those defects and went into general and successful use."

The want in the art could not have been apparent from the face of the patent, nor could the defects in the prior art have been apparent from the face of the patent in suit, except as set forth in the description of the patent in suit, and the Towne patent here before this court points out defects in the prior art.

The Towne steering wheel has gone into great and extensive use and has been recognized as having merit by the automobile manufacturers to the extent that practically all racing machines and many of the large heavy cars are provided with the Towne steering gear.

The presumption of law arising from the grant and issuance of the patent, after due examination by the commissioner of patents as to novelty and invention, is that the combinations set forth in the three respective claims of the Towne patent were novel and required invention and were not common knowledge. This presumption is reinforced and strengthened by the public adoption and use of the Towne steering wheel and by the general acquiescence in the validity of the patent. These facts are alleged in the bill and are admitted to be as set forth therein. They can be readily proven at final hearing.

The courts have oft said that the best proof of the utility of an alleged invention was its copying and use by defendant.

The seeming apparent obviousness of an improvement after it has been accomplished is not a safe guide in testing the presence or absence of invention. This has been recognized repeatedly by the courts.

“The practiced eye of an ordinary mechanic may be safely trusted to see what ought to be apparent to every one.”

Potts v. Creager, 155 U. S. 608;

Loom Co. v. Higgins, 105 U. S. 580, 591;

Dececo Co. v. Gilchrist, 125 Fed. 298.

Yet the records of the patent office do not disclose that the practiced eye of the ordinary mechanic or of prior inventors had ever seen Mr. Towne's useful combinations. The grant of the patent is proof of these facts.

The specification of the patent in suit sets forth that the main object of the Towne invention is to provide the steering wheel of an automobile with means for improving the grip or hold of the operator or driver; and a further object of the invention, set forth in lines 59 to 78 of the specification, is to provide a built-up construction of the steering wheel as there set forth. This second built-up construction is set forth in claim 3, and, so far as appears from common knowledge, is totally new. This alone requires the reversal of the order appealed from and an answer by defendant. Defendant is charged with the infringement of all the claims, and claim three is clearly novel.

Claims 1 and 2 of the patent are directed to the combination in a steering wheel of a rim, the rim provided *with a smooth outer surface and an indented inner surface.*

Not Obvious to Place Indentations on One Side of Rim Only.

The usual practice before Towne's invention was to wind cords around the steering wheel to give a better grip of the hand. It has also been the practice to wind cords or ropes around handles of tennis rackets, baseball clubs, etc., in order to get a better grip. To form serrations on one side only in any of these instances was thus not obvious. Grips have also been made by a turning lathe to form annular ridges or ridges encircling the hands, but in all of these instances the indentations have been annular, that is, *they have completely encircled the thing gripped*. In winding rope around to form the ridge, or in turning the ridge by a turning lathe, the ridge must necessarily in either case be extended completely around the thing to be gripped, and thus *the obvious thing* was to have the indentation extend completely around the thing to be gripped and in the obvious thing to form the indentation on one side only. To do other than this necessitates a special thought process, which departs from the beaten method, to evolve the construction which the patent claims, and this thought process must be constructive. That which requires special thought and constructive thought departs from the beaten paths along the obvious lines and the thing evolved by such process is certainly not what can be termed the obvious thing. Hence the thing claimed is not obvious.

New Result Produced and Well Known Test of Invention Thereby Proven.

This device in mode of operation differs from the use of a tennis racket or baseball club in that in the two latter instances the hands grip practically the same place at all times, whereas an automobile steering wheel which is revolved into different positions requires that it be gripped at all points of its circle, and this revolving motion is one which is not present in either the baseball club or tennis racket. If the steering wheel be provided with indentations which extend entirely around it as has been the obvious thing heretofore accomplished by winding it around with cord, the outer surface of the wheel being thereby corrugated or indented by the cord will retard the motion of the wheel through one hand while the other hand is pulling the wheel around and thereby ~~get~~ ^{eat} the very purpose for which the corrugation is used. With the smooth outer rim, which is one of the essential elements of the patent, the wheel while pulled around by one hand can smoothly slide through the other hand while the one hand is still resting on the wheel, and *vice versa*; the grip of either hand on the wheel being accomplished by the simple act of closing in the fingers of the hand against the inner surface of the wheel. With the old time obvious method of winding the wheel with rope it is necessary to entirely disengage either hand from the wheel when the wheel is being turned by the other hand. Both hands of course may remain gripped to the wheel when the wheel is only turned through a very short revolution, but in the actual practice in running, in turning corners and in turning around in the road, it

is necessary to move the wheel through large arcs of rotation, and this necessitates that the hands move from one position to another as the wheel shifts. This is accomplished by the alternate gripping and relaxing of the hands of the driver. Thus while one hand is gripping to hold the wheel, the other hand is relaxing its grip to permit the wheel to turn, and *vice versa*. With the wheel which is wound with cord, i. e., the old time obvious method, it was necessary to entirely remove one hand or the other with the wheel thus turned, while with the construction claimed in the patent, which permits both hands at all times to rest upon the wheel, this is not necessary. That hand which may have a relaxed grip on the wheel can still rest on the wheel, and the smooth outer periphery of the wheel slides into that hand, while when that hand is to grip the wheel the fingers are closed against the inner periphery. If the outer peripheries are notched this is impossible. We thus find two distinct results produced by this construction which are not produced by anything theretofore known which employed a corrugated gripping surface.

First: With the patented construction the hand which is not gripping can rest upon the wheel and be supported thereby while the wheel is being smoothly revolved through that hand.

Second: The gripping and disengaging actions are performed by a closing and releasing movement of the fingers against the inner peripheries of the wheel of the patented construction, while in all previous constructions the entire hand must either be entirely removed from the wheel or clasped around the wheel.

The claims do not call for the mere roughening of the surface nor for the mere indenting of a part only of the surface of the thing to be gripped, but specifically and accurately define that the indented portion is to be the *inner* surface *only* and that the *outer* surface must be smooth. These important distinctions are absolutely necessary to the production of the above-mentioned results, for if the indented surfaces were on the outer side only and the inner side were smooth it would be impossible for the idle hand to not be caught by the outer peripheries and carried around with the wheel. This is the exact, specific and definite terms of the claims and must be followed in constructing a steering wheel which will produce these beneficial results, and therefore, in order to show that the claims are anticipated, it will be necessary for defendant to prove that there was prior public knowledge or use of a steering wheel with a smooth *outer* periphery and with an indented inner periphery. It will not be sufficient to prove that it was known to indent the wheel on both sides, as that does not produce the results of the patent.

The production of these new results are facts capable of physical proof and are not mere theoretical statements, and these physical facts stand as most eloquent and truthful, though mute, proofs of patentability. These new results are inherent in the construction patented, they had their birth with the production of the thing patented, and whenever a steering wheel is constructed as described in the patent these new results will necessarily flow from such construction whenever the construction is put into use. They are therefore an ideal

attribute of the patent, cannot be passed from the patent, and are therefore *prima facie* proof of the patentability of the claims under the well-recognized doctrine that whenever a new construction produced a new result it is patentable.

Expert evidence will bring out strongly these facts and show conclusively that in actual practice these are not mere theories. For these reasons, also, the court should overrule the demurrer and hear the cause upon its merits.

It is submitted that the Circuit Court erred in not assigning the defendant to answer and in not hearing this cause upon the proofs to be educed on behalf of the parties; that it should have given complainant the benefit of the presumptions arising from the grant of the patent, the general public acquiescence therein; the general use of the invention; and should at the very least have heard the evidence to support these facts.

FREDERICK S. LYON,
Solicitor for Appellant.

